

FISCAL IMPACT STATEMENT ON BILL NO. **H.3407**

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TO:	The Honorable Robert Harrell, Chairperson, House Ways and Means Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Bryce Wilson		
DATE:	May 4, 2005	SBD:	2005439

AUTHOR:	Representative Neal	PRIMARY CODE CITE:	59-111-110
SUBJECT:	Tuition Free Education for Spouses of Certain Firefighters and Law Enforcement Officers		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
See Below

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:
See Below

BILL SUMMARY:

This Bill would amend Section 59-111-110(A) so as to include summer semesters in the four year period in which free undergraduate tuition is allowed for children of fireman, law enforcement officers or correction officers and state government employees disabled or killed in the line of duty. The Bill also clarifies the definition of "disable" and expands the benefit to include spouses.

EXPLANATION OF IMPACT:

Although the actual number of students taking advantage of the current tuition exemption is unknown, the Commission on Higher Education (CHE) estimates a maximum of 495 students are currently receiving free tuition per section 59-111-110, and 330 spouses would take advantage of the expanded free tuition benefit upon enactment of this Bill. CHE estimates that this Bill would result in a total loss of tuition revenue of \$2,448,960 annually. Annual tuition for four-year and two-year institutions is currently \$6,184 and \$2,977 respectively. The impact of exempting tuition for the summer semesters is estimated at \$1,049,640 annually, while the impact of expanding the free tuition benefit to spouses is estimated at \$1,399,320 annually. Institutions may need to adjust their tuition and fees schedules to offset this loss of revenue.

There is no direct impact on the General Fund of the State. The General Assembly, at its discretion, may choose to appropriate additional funds to offset any reduction of revenue.

LOCAL GOVERNMENT IMPACT:

None.

SPECIAL NOTES:

None.

Approved by:



Don Addy
Assistant Director, Office of State Budget